

**Before the Committee on Energy and Commerce
Subcommittee on Environment and Hazardous Materials
United States House of Representatives**

**Electronic Waste:
Does the Federal Government Need to Play a Role?**

**Statement of Parker E. Brugge
Senior Director & Environmental Counsel
The Consumer Electronics Association**

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Introduction

Mr. Gillmor, Ms. Solis and Members of the Committee:

My name is Parker Brugge and I am the Senior Director and Environmental Counsel for the Consumer Electronics Association (CEA). CEA is the principal U.S. trade association of the consumer electronics and information technology industries. CEA's 2,000 members are involved in the design, development, manufacturing, distribution and integration of audio, video, in-vehicle electronics, wireless and landline communication, information technology, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels. Moreover, CEA's members include manufacturers of consumer electronics products, as well as many of the largest retailers. CEA also produces the nation's largest annual trade event, the International Consumer Electronics Show. CEA commends the Subcommittee for holding this hearing on the important issue of electronics recycling and we appreciate the opportunity to provide the views of our membership.

By extending information and entertainment to everyone – regardless of income or geographic location – our members’ products have improved lives and changed the world. Meanwhile, America stands as the global leader in innovation, ingenuity and creativity. In addition, the competition and falling prices characteristic of our industry continue to confer benefits to consumers. As our products become increasingly affordable, it is often more economical for consumers to replace a product with a new one than to repair older equipment.

While these displaced products may have reached the end of their lives or be out-of-date, they certainly are too valuable to be completely discarded. Most consumer electronics products contain valuable materials, such as precious metals, plastics and other raw materials that can be resold in the commodities market by recyclers. Moreover, used, working computers can find use in thousands of schools, charities and public agencies committed to training people with disabilities, students at risk and economically disadvantaged Americans.

Although certain substances of concern, such as lead, mercury and cadmium, are present in these products, they are there for a good reason. For example, lead shields users of monitors from electromagnetic fields and mercury is used in backlights to conserve energy. According to U.S. EPA, these compounds, if properly managed and disposed of, present little or no risk to human health or the environment. The Agency views the issue of electronics recycling as one of resource conservation and solid waste management, and so do CEA and its members.

CEA's Members Are Committed to Electronics Recycling

CEA and its member companies have been and will continue to be fully supportive of the safe and appropriate recycling and reuse of consumer electronics products. A number of our member companies, both manufacturers and retailers, have partnered in voluntary pilot projects to collect and recycle computers, monitors and other consumer electronics. Many of our member companies have participated in EPA programs, such as Plug-In To eCycling, a consumer electronics campaign working to increase the number of electronic devices collected and safely recycled in the United States.

CEA recently joined eBay's Rethink initiative, which brings together leading technology companies, government agencies, environmental groups and millions of eBay users to confront the issue of electronic waste through consumer education via comprehensive information on options available to reuse or responsibly recycle, as well as disposition tools such as assisted selling, convenient local drop-off, trade-in programs and charity donations. We believe that the Rethink initiative can serve as a component of an important element in electronics recycling – consumer education.

A primary responsibility shared by manufacturers of consumer electronics lies in product design. Advances in technology have been accompanied by large reductions in the consumption of energy, fewer materials of potential concern, and other positive

environmental attributes. Further, manufacturers use significant amounts of recycled content, such as glass, plastics and metals, in the production of new devices.

CEA Supports a National Approach to Electronics Recycling

CEA and its member companies all realize that voluntary programs alone cannot resolve the very important issue of electronics recycling. CEA strongly believes that a successful national framework should be established to address the management of electronics recycling. The current de-facto framework is an evolving patchwork of state-by-state approaches. As this Subcommittee is aware, three states, California, Maine and Maryland, have passed legislation to manage used electronics. These inconsistent state requirements likely will soon be joined by even more conflicting state requirements, as there were over twenty-five states that introduced legislation on the subject in 2005. This conflicting, ad-hoc approach imposes unnecessary burdens on global technology companies and consumers alike. Electronics recycling is a national issue that warrants a national solution.

A national end-of-use framework should apportion responsibility among all of the stakeholders and ensure a level playing field, while promoting a widespread and adequately financed electronics recycling solution. Above all, we must develop a solution that is convenient for the consumer and one that is broadly consistent in product scope.

CEA believes that a national framework should include the following elements:

1. Tax Credits

The federal government should support states choosing to rely on effective market-based solutions. Federal tax credits can enable manufacturers, recyclers, and retailers to offer recycling services in those states. Tax credits also may enable stakeholders in other electronic sectors to offer recycling services or to develop markets for recycled products. Tax credits should be available to all stakeholders involved in the end-of-life infrastructure, including retailers, to help defray costs in those states adopting visible fee-based systems.

2. Fostering Design for Environment

CEA supports the creation of reasonable federal procurement policies based on environmental criteria. The market power of the government can play a significant role in providing a direct sales-based incentive to manufacturers. States can augment this by adopting federal environmentally sensitive procurement guidelines, increasing the market and the incentive for manufacturers. In addition, federal and state governments will capture cost-savings through reduced energy usage and other advantages offered by these products.

3. A National Recycling Third-Party Organization

States considering Advanced Recovery Fee or ARF-based systems, as well as producer responsibility or takeback approaches, may opt to select a third-party organization (“TPO”) to collect and administer recycling funds. CEA is actively working with the National Center for Electronics Recycling to support the creation of a national third-party organization, to assist states considering a TPO system, to provide a national clearinghouse for product scope, and to ensure stable harmonization of state-level systems. A national TPO should include manufacturers, retailers, and recyclers in its governance structure. A national TPO that is available to states can serve as a further incentive to create state-level systems complementing a national solution. If additional federal authority to enable harmonization is required, CEA will work with Congress as appropriate to put that authority in place.

4. Ensuring a Level Playing Field through Federal Policy

The role of the federal government lies primarily in ensuring a level playing field nationally for recycling stakeholders complying with state-level recycling systems. The federal government should put measures in place that enable states to ensure a level competitive playing field for in-state retailers with Internet and out-of-state retailers. CEA will advocate for any required additional federal authority to ensure interstate compliance with state-level market-based or visible fee-based systems, including seeking retailer stakeholder support.

Conclusion

Finding a solution to this public policy challenge is a priority for CEA. As we continue to make strides in eco-friendly design initiatives, lead the consumer electronics industry on environmental issues and be a part of the effort to educate consumers about electronics recycling, CEA stands ready to work with Congress and all interested parties to reach a common-sense, national solution that makes recycling as convenient as possible for all Americans.

Thank you again for the opportunity to share CEA's position on this important public policy issue. I look forward to addressing any questions you may have.